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## Brazil

## Exporter Guide

## 2005

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**Report Highlights:**

This report provides an overview of the Brazilian market for imported foods and beverages. Potential exporters may also wish to consult the more detailed reports on product requirement and regulation (FAIRS report BR4616) and reports on the retail (BR5015), HRI and Food Industry (BR4003) sectors.

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Includes PSD Changes: No  
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## I. Market Overview

In 1999, under the government of Fernando Henrique Cardoso, Brazil adopted a floating exchange system, leading to significant drop in the value of Real. The local currency depreciated from R\$1.16/US\$ in 1998 to R\$2.56/US\$ (average of past 6 years), causing a decline in Brazil's imports. Since then, many foreign goods are no longer affordable for the ordinary consumer. Imported food and beverage products, became a luxury item, mainly affordable to a select group.

Due to high level of competition from local firms, the market for U.S. products is strongest among affluent, more image-conscious consumers. The number of Brazilians who comprise this select group, however, increased from 1980 to 2000. While in 1980 they accounted for 1.8 percent of Brazilian families, by 2000, their representation as a percentage of all families had risen to 2.4 percent. Moreover, this affluent group is responsible for 1/3 of accumulated national wealth (average family income x number of wealthy families). According to research by Marcio Pochman, Professor of Economics from the University of Campinas (Unicamp), Sao Paulo, in 2000, Brazilian families with disposable income above R\$131,784 per year are considered wealthy. There are approximately 1.16 million families nationwide that would fit into this category. Converted into 2003 values, the average income of these families was about R\$270,000 per year which was 14 times greater than the average family income in Brazil.

For consumer-oriented products, Mercosul members are the top exporters to Brazil, benefiting from the duty-free agreement established between Brazil, Argentina, Paraguay and Uruguay. Despite a downward trend in market share, Mercosul is still responsible for half of imported value-added products. Food and beverage products sourced from these countries compete with local products on a price basis, which makes them primary competitors for the local industry, but not for other exporting countries such as EU members and the US. The second major player, also the US is prime competitor, is the EU, with 20.6 percent of market share in 2004. European countries have demonstrated an aggressive marketing approach and maintain leadership within the premium consumer-oriented products segment. In general, Brazilians have a strong perception of EU products as being traditional and sophisticated, which reinforce the position of the EU as a top supplier.

After the economic slow down of 1999, US products have faced stiff competition from European exporters. In the recent years, the US has gained market share, jumping from 6.6 in 2000 to 9.1 in 2004.

### Brazil's Imports of Consumer-Oriented Products (US\$ million)

	2000	Share (%)	2001	Share (%)	2002	Share (%)	2003	Share (%)	2004	Share (%)
Mercosul	1,003.9	63.5	635.5	55.6	649.7	58.5	602.9	60.6	569.0	50.7
EU	303.7	19.2	263.9	23.1	232.7	21.0	205.0	20.6	231.7	20.6
US	104.3	6.6	92.1	8.0	82.6	7.4	72.4	7.3	101.6	9.1
Others	168.4	10.7	151.7	13.3	145.3	13.1	114.6	11.5	219.8	19.6
Total	1,580.3	100.0	1,143.2	100.0	1,110.3	100.0	994.9	100.0	1,122.1	100.0

Source: WTA/Secretariat of Foreign Trade (SECEX)

According to local importers, the US has room to grow. The dollar depreciation vis-à-vis the Euro represents an optimal moment for US suppliers, as local companies are willing to

diversify their portfolio and lessen risk exposure. Adding to that, US companies are able to offer the same standard of products EU suppliers do.

Given this outlook, there are challenges and advantages to be investigated prior to entering the market, as demonstrated below:

ADVANTAGES	CHALLENGES
More supermarkets are showing interest in selling imported goods.	Brazil is self-sufficient in food supply. An imported product is a luxury item and not a necessity. Retailers offer foreign goods to differentiate themselves and develop new niche markets. US exporters may start selling small volumes but in the long run there are possibilities to establish a plant in Brazil.
Price is not always the determinant purchase criteria for high-end consumers.	High-end consumers are more demanding regarding other aspects of products such as innovation, packaging, status, new trends, etc.
The US food industry is able to respond to consumers' demand promptly, regardless of the segment of products.	Brazilian consumers/importers have limited trade relations with the US. There is room to develop.
As a developing economy, Brazil still is very sensitive to international turbulence in addition to its own internal issues.	Learn how to operate in an up-and-down environment where long-term planning is not easy to implement or predict.

## II. Exporter Business Tips

Different branches of the Brazilian federal government regulate import procedures by issuing laws, decrees and resolutions. The legislative basis for foreign trade is found in Decree nº 4543 - December 26<sup>th</sup>, 2002, also known as the "Customs Regulation", which replace Decree nº 91030/85 and its amendments.

The import process in Brazil can be divided into 3 phases:

- a) Administrative: regulates all import actions and its bureaucracy. It comprises procedures established by the Secretariat of Foreign Trade (SECEX) and any other government department in charge of releasing import authorization or goods clearance. The main Brazilian Government offices involved in import of food and beverage products are: the Ministry of Agriculture, Livestock and Food Supply (MAPA) and the Ministry of Health (MS) through their agency called National Agency of Sanitary Surveillance (ANVISA).
- b) Currency operations: comprise monetary transfers to other countries, which is controlled by the Brazilian Central Bank (BACEN) and processed through private banks under BACEN authorization.
- c) Fiscal: taxes and tariff payments are controlled by the Secretariat of Federal Revenue (SRF)

To allow the government flexibility to minimize trade deficits, combat fraud and better control tax payment, an administrative software program was created and implemented in 1997 - the Integrated Foreign Trade System (SISCOMEX). Through the SISCOMEX all import and export operations are monitored by the federal government.

In order to start the import process, the local company must request a permit on the online registration system. Once the company receives the permit, eligibility to import is granted. After that, a series of actions will take place, which are the importer's responsibility. However, it is crucial for the exporter to understand these steps and Brazilian legislative requirements. First of all, the importer has to make sure the product is in accordance with the local requirements (please refer to the "Food and Agricultural Import Regulations and Procedures" report, BR4616, July 28, 2004).

## Registration

The registration process must be accomplished prior to shipment. For products of animal origin under MAPA's surveillance, the processing plant must be registered and approved by the Brazilian government. Brazilian importers must also pre-register the labels of processed meats and dairy products.

ANVISA is also responsible for registration of a great variety of processed food products. Before placing a food product in the market, importers must obtain a registration number, which should be placed on the product label. According to the regulations, there are products exempt from registration and products with mandatory registration, however in both cases the importer must complete a formal procedure.

## Classification

The international methodology of goods classification, based on an arrangement of codes and descriptions is called the Harmonized Commodity Description and Coding System or simply the Harmonized System (HS). The code composition of the HS, formed by six digits, allows product specifications to be attended, such as: origin, constitution and application, in a logical ascending numeric order, according to its level of complexity.

Brazil, Argentina, Paraguay and Uruguay have adopted the Mercosul Common Nomenclature (NCM), which has the HS as its base. Therefore, out of the eight digits that form the NCM, the HS forms the first six digits, while the seventh and the eighth digits correspond to specifications endorsed in the Mercosul sphere. Through the NCM it is possible to define what is the amount of taxes to be paid and which government office will release import authorization. Each product classified under a NCM code requires an import license, therefore invoices containing products with different classifications will need separate import licenses.

## Administrative Process

>A *Pro forma* invoice should be sent to the Brazilian exporter. This document starts up the entire process, therefore it is extremely important that exporters fill out this document properly, otherwise the Brazilian importer will not be able to file the application.

>the importer requests an import permit also called Import License (LI), which must be obtained before shipment. All food and beverage products are under the "non-automatic" category thus subject to MAPA and MS prior approval. In general, the authorization is granted within a week. It is not uncommon for importers to contact the pertinent ministry to follow up in case more documentation or analysis is needed or just to speed up the process.

>MAPA regulates bulk commodities, meat, dairy, fisheries, beverages, feed/fodders/pet food, fruits, vegetables, seeds and plants.

>ANVISA regulates the majority of processed food products, food ingredients, tobacco and tobacco products.

## Shipping

>after obtaining the LI, the importer may authorize shipment of goods to Brazil.

>After shipping, the exporter must send the documentation that will allow the importer to release goods from Brazilian customs. The documentation required includes: shipping information (B/L or AWB), commercial invoice (including details of agreed payment method), certificate of origin (for products falling under international agreements) and phytosanitary or lab certificate (when required by Brazilian law).

## Payment

Overseas payment may be made in advance, by collection or by letter of credit (cash or installments). A foreign exchange contract, according to the standards and regulations established by the Brazilian Central Bank, formalizes the buying and selling of foreign currency between the importer and an authorized exchange establishment. The exchange transactions may be made for immediate or delayed payment. The time between signing the contract and payment of the transactions must not exceed 360 days.

## Clearance

Starts when goods arrive in Brazil. The importer or a contracted customs broker, officially representing the importer, will prepare the Import Declaration (DI). The necessary documentation to fill out the DI is: commercial invoice, shipping information and the LI. In addition, to register the DI, the importer needs to pay Import Tax (II) and Tax on Manufacture (IPI). Other documents may be required due to special characteristics of the product and/or transaction.

Clearance from customs consists of a series of acts carried out by a customs official who will authorize the release of the goods to the importer after the verification of: merchandise, compliance with tax laws and importer's identity. The SRF will release an Import Warrant (CI) via SISCOMEX to confirm customs clearance. The system will then automatically select the method of clearance to be applied. They are:

>green: customs clearance authorization is automatically issued.

>yellow: mandatory inspection of documentation is required and, if no evidence of irregularities is found, customs clearance authorization is issued.

>red: mandatory inspection of documentation and of merchandise is required before customs clearance authorization is issued.

>gray: mandatory inspection of documents, merchandise, and taxable basis of Import Tax is required before customs clearance authorization is issued. Customs clearance authorization can be arranged before conclusion of the inspection of customs value, by using a guarantee issued by the importer.

Except for the green option, all documents with the receipt of the Import Declaration printed by SISCOMEX and proof of payment on waiver of the Interstate Movement Tax on Sales and Services (ICMS), should be presented by the importer to the Federal Revenue Office where the goods are located for the conclusion of the customs clearance. For goods assigned the gray option, a Declaration of Customs Value (DVA) must be made and transmitted via SISCOMEX to explain the commercial aspects of the transaction and to provide additional information to justify the value. Any corrections to the information presented in the DI, changes in the calculation and additional tax or fines required by law, will be carried out in accordance with SISCOMEX procedures.

## Pricing Model

ATO prepared this pricing model to help exporters develop a competitive price strategy prior entering the Brazilian market. This model shows the impact of taxes, tariffs and mark ups applied to imported products (non-mercosul).

<b>LANDING COSTS:</b>	<b>US\$</b>	<b>R\$</b>	<b>%<sup>0</sup></b>
Case Price (US\$)	100.00		
Units per case	24	24	
Cases per container (20ft.)	500	500	
FOB price	50,000.00		100.00
<b>FOB price per unit</b>	<b>4.17</b>		<b>100.00</b>
Exchange rate		2.40	
FOB price		120,000.00	240.00
<b>FOB price per unit</b>		<b>10.00</b>	<b>240.00</b>
Freight cost <sup>1</sup>	2,000.00		4.00
Freight cost <sup>1</sup>		4,800.00	9.60
Insurance - 0.05% FOB price	250.00		0.50
Insurance - 0.05% FOB price		600.00	1.20
Freight cost + insurance per unit	0.19		4.50
Freight cost + insurance per unit		0.45	10.80
CIF price		125,400.00	250.80
<b>CIF price per unit</b>		<b>10.45</b>	<b>250.80</b>
<b>OTHER LANDING COSTS<sup>2</sup>:</b>			
AFRRM - 25% Freight cost		1,200.00	2.40
Import License Issuance Fee - per import license		50.00	0.10
THC - Terminal Handling Charges		228.00	0.46
ISPS - security fee	7.00	16.80	0.03
Container clearance	80.00	192.00	0.38
BL clearance	50.00	120.00	0.24
Warehousing - 0.3% CIF for 10 days		376.20	0.75
Custom Broker Fee		400.00	0.80
SDA - custom broker union fee - 2.2% CIF		2,758.80	5.52
Other landing costs		5,341.80	10.68
<b>Other landing costs per unit</b>		<b>0.45</b>	<b>10.68</b>
<b>OTHER COSTS:</b>			
Local Transportation (Santos/Sao Paulo)		1,000.00	2.00
Local Insurance - 0.1% CIF price		125.40	0.25
Other Costs		1,125.40	2.25
<b>Other Costs per unit</b>		<b>0.09</b>	<b>2.25</b>
<b>TAXES:</b>			
Import Tax (II) <sup>3</sup> - 11.1%		1.16	27.84
Tax on Manufacture (IPI) <sup>4</sup> - 10%		1.16	27.86
Sales Tax (ICMS) <sup>5</sup> - 18%		2.30	55.17
Social contributions (PIS/Cofins) - 9.25%		1.03	24.72
Total tariff costs		67,795.76	135.59
<b>Total tariff costs per unit</b>		<b>5.65</b>	<b>135.59</b>
Price after customs		199,662.96	399.33
<b>Unit Price after customs</b>		<b>16.64</b>	<b>399.33</b>
Average Importers Markup <sup>6</sup> - 30%		21.63	519.12
Average Retail Markup <sup>6</sup> - 30%		28.12	674.86
<b>Unit Retail Price</b>	<b>11.72</b>		<b>281.19</b>

<sup>0</sup> Percent calculated over FOB price.

<sup>1</sup> Freight cost based on FOB price from Miami to Port of Santos. Freight from the US usually is higher than freight cost from the EU.

<sup>2</sup> Port Handling Charges are established by the Port.

<sup>3</sup> Processed food and beverage Import Tax (II) vary from 0% to 20%. Average tariff is 11.1%.

<sup>4</sup> Tax on manufacture (IPI) goes from 0% to 60%. Average tariff is 10%.

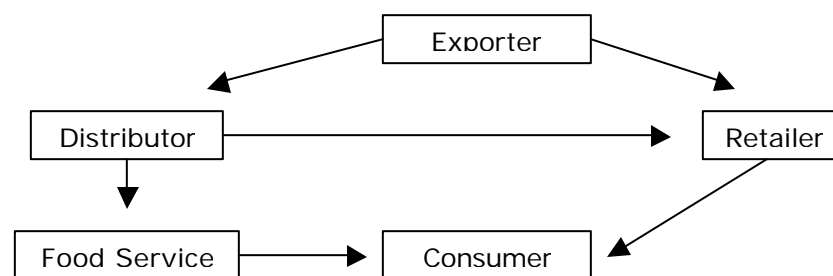
<sup>5</sup> Sales Tax (ICMS) vary from 0% to 25%. Average tariff is 18%.

<sup>6</sup> Importers and Retail markups also include other taxes (Income Tax, CSLL, PIS/Cofins).

### III. Market Sector Structure and Trends

Retailers are the major food and beverage distribution channel in Brazil. Around 80 percent of food items flow through hypermarkets, supermarkets and independent stores. For imported consumer-oriented products, they play a key role, not only as distributor but also as a direct importer. Major retailers are willing to import directly in order to obtain better margins. However, when volumes do not reach an advantageous level in financial terms, they buy from local importers/distributors. While avoiding the middleman is a general goal, it only happens if supermarket chains are able to fill containers and keep overhead costs in check. With the food service segment, there are no significant direct imports, demand still is very fragmented and volumes too small to justify such an operation. Thus, there are 2 major audiences for exporters: retailers and distributors and the more common import operation are done with mixed containers. Considering the limited offer of industrial ingredients and the expansion of the local food industry, processors are also potential buyers of US food ingredients. However, this industry has more specific demands and should be analyzed in a case-by-case basis.

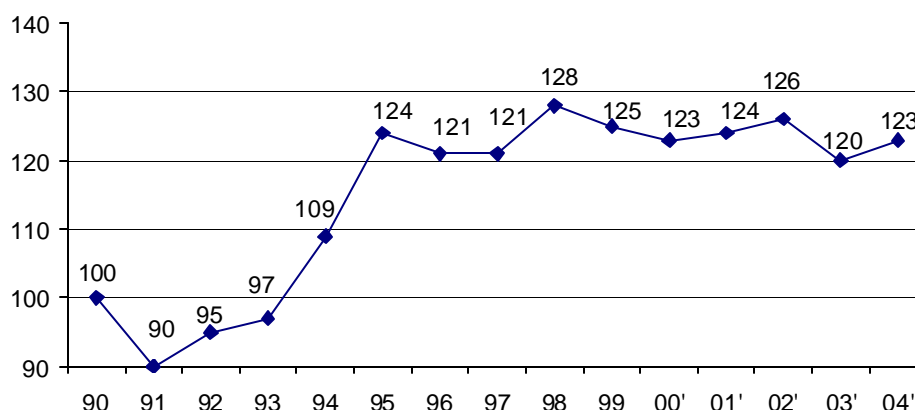
#### Market Structure for Imported Consumer-Oriented Products



#### Retail Food Sector

In 2004, Brazil's local retail industry posted an increase in gross sales, as a result of Brazil's GDP growth, the best in the last ten years. The sector's gross sales were valued at R\$97.7 billion (US\$1 = R\$2.93) in 2004, which represented 9.4 percent growth in nominal terms. According to the Brazilian Institute of Geography and Statistics (IBGE), the sector accounted for 5.5 percent of GDP, the sum total of which was R\$1.769 trillion. On the other hand, investments made by 229 retailers reached R\$ 1.2 billion. According to the Brazilian Supermarket Association (ABRAS), 72 percent of the total amount was invested in new stores and reconstruction.

### Retail Sector Gross Sales Index



Source: ABRAS/ACNielsen

In 2004, the top 5 retail companies in Brazil represented 40 percent of gross sales; this scenario has been stable for the last 5 years. This year industry concentration increased because Cia Brasileira de Distribuicao (also known as Pao de Acucar Group) has formalized an association with Sendas, Rio de Janeiro's largest retailer, and Walmart purchased the Bompreco chain.

The format of stores up to 250 square meters has demonstrated significant growth. In 2002, this store size represented 19.3 percent of the total number of stores, jumping to 29.2 percent in 2003 and to 32.4 percent in 2004. This reinforces a new trend: an increasing number of Brazilian consumers have a preference toward smaller stores that are closer to home.

### Stores by Size

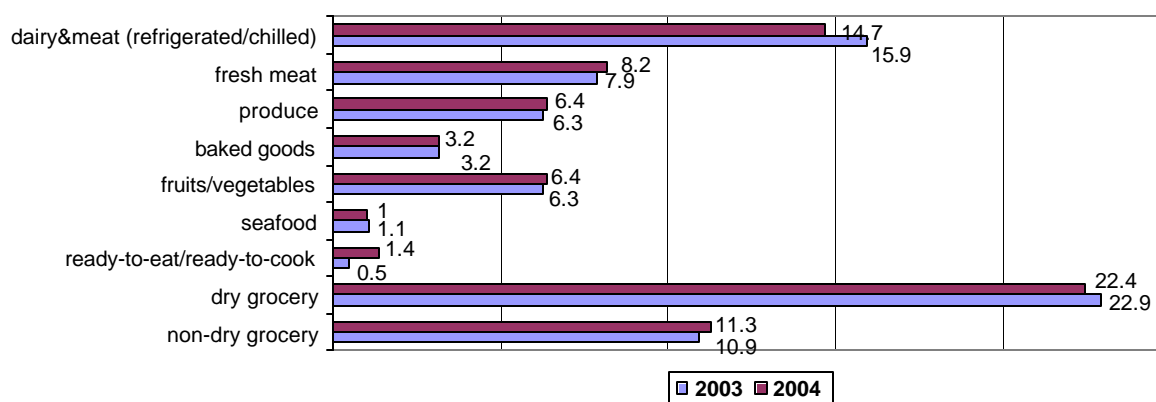
Sales area	Number of stores		Average number of checkouts		Average number of food items	
	2003	2004	2003	2004	2003	2004
up to 250 m²	1,081	1,271	3	2	4,135	4,680
251 to 1,000 m²	1,135	1,246	7	7	9,643	10,422
1,001 to 2,500 m²	957	923	13	13	10,618	12,655
2,501 to 5,000 m²	303	260	25	23	13,185	17,958
above 5,000 m²	221	218	45	43	23,220	34,352

Source: ABRAS/ACNielsen

Generally, the product mix in Brazilian supermarkets is broken into 3 major categories: perishables, food and nonfood grocery and general merchandise. According to a 2004 research conducted by ABRAS with the top 500 retail companies, perishables represent 34,9 percent of total sales, while grocery and merchandise represent 46,4 percent and 17,6 percent, respectively.



### Share of Food & Beverage Items Sold in Supermarkets in Brazil



Source: ABRAS/ACNielsen

Imported products have also gained share. According to 2004 ABRAS research, 2.4 percent of retail companies interviewed carried imported items, while in 2003 only 1.8 percent did so. It is estimated that the presence of imported products is higher in specialty stores. These stores are usually located in higher per capita income metropolitan areas of the Southeast region. In 2003, the Southeast region of Brazil, with 43 percent of the population, accounted for 57.9 percent of retail sales.

### Top 5 Brazilian Retailers

RETAILER NAME	OWNERSHIP	SALES (R\$ MIL)	SHARE	No. of OUTLETS	LOCATION	PURCHASING AGENT TYPE
1- Cia. Brasileira De Distribuicao (Pao de Acucar, Extra, Se, Compre Bem, Sendas)	Brazil/France	15,435	15.8	551	South Southeast Center-East Northeast	LFP, DI, LI
2- Carrefour (Carrefour, Champion, Dia Brasil)	France	12,119	12.4	390	South Southeast Center-East North Northeast	LFP, DI, LI
3- Wal-Mart (Bompreço)	US	6,105	6.2	149	South Southeast Northeast	LFP, DI, LI
4- Sonae (Big, Mercadorama, Nacional, Maxxi)	Portugal	4,335	4.4	148	South Southeast	LFP, DI, LI
5- Cia. Zaffari	Brazil	1,268	1.3	76	South	LFP, DI, LI
<b>TOTAL TOP 5</b>		<b>39,262</b>	<b>40.1</b>	<b>1,314</b>		

Source: ABRAS/ACNielsen

Note: LFP (local food processors), DI (direct imports), LI (local importers). Note: BomPreco was acquired by Wal-Mart from Ahold in March 2004 and Sendas became an associate chain of Cia. Brasileira de Distribuicao

## Food Processing Industry

The Brazilian processing industry experienced strong performance in 2004. Industry revenues amounted to R\$175.9 billion, which represented 11.6 percent growth in nominal terms compared to the previous year. According to the Brazilian Food Processors' Association (ABIA), the sector accounted for 9.6 percent of the national GDP.

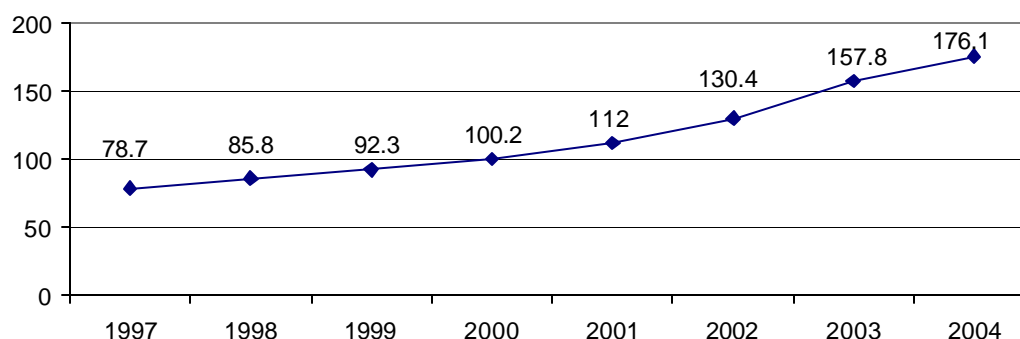
### Food Processing Sector Trade Balance (R\$ billion)

	1999	2000	2001	2002	2003	2004
Production	92.3	100.2	112.0	130.6	157.8	175.9
Exports (processed foods)	15.6	14.0	23.8	31.5	40.6	50.0
Imports (processed foods)	2.8	2.6	2.5	3.5	3.2	3.4
Domestic Consumption	45.7	47.4	37.8	34.5	37.6	44.1
Average Exchange Rate (R\$-US\$)	1.81	1.83	2.35	3.54	2.90	2.93

Source: Brazilian Food Processors' Association (ABIA)

In 2003, the top 10 food & beverage companies represented 45 percent of gross sales. The sector's 5 largest food & beverage companies together represent 32 percent of gross sales. The top 5 food & beverage companies in Brazil and their respective revenues are: CBB/Ambev (R\$ 18.7 billion), Bunge Alimentos (R\$ 11.9 billion), Cargill (R\$ 9.7 billion), Nestle (R\$ 9.0 billion) and Unilever (R\$ 7.1 billion).

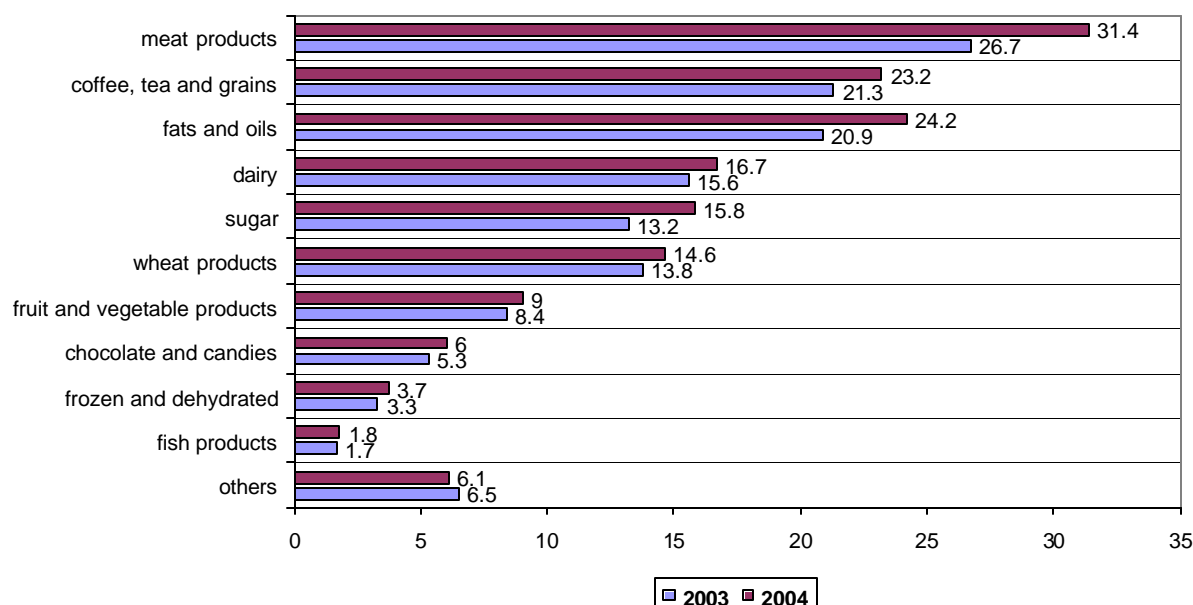
### Food Industry Gross Sales Index



Source: ABIA

According to a 2004 research conducted by ABIA with 300 companies, there are eleven main segments in the Brazilian Food Industry. The segment that presented the best performance this year was the meat product segment, reaching revenues of R\$ 31.4 billion, which represents 18 percent growth in nominal terms compared to 2003.

### Major Sectors of the Brazilian Food Industry (R\$ million)



Source: ABIA

Wheat is by far the biggest imported food product in Brazil, totaling R\$ 2.14 billion in 2004. Other intermediate agricultural products imported by the processing industry in significant quantities are: vegetable oils, feeds and fodders, animal fats, sugars, sweeteners and beverage bases.

The Brazilian food processing industry's distribution system serves all different channels: hotel, restaurant and institutional (HRI), retail, wholesale and other food processing companies. Negotiations with wholesalers and distributors may include semi-exclusive contracts with limitations on geographic areas covered and/or restrictions on product lines available to a company's competitors. Retail segment purchases are made directly from food processing companies or from wholesalers. Domestic wholesalers, distributors and retailers supply the HRI sector, but the number of food processor is creating specific departments to market to the food service sector is increasing.

## IV. Best High-Value Product Prospects

### A. Products present in the market, which have good sales potential

In 2004 imports of U.S. consumer-oriented products registered a significant increase. According to ATO analysis, in the past five years, product categories that have demonstrated the best performance in the market are: snack foods, wine/beer, fruit/vegetable/nuts (fresh/processed), dairy products, red meats (prepared/preserved), pet foods (dog/cat food), fruit/vegetable juices and seafood products.

Importers are focused on brands that are well known in their home markets and high-end products. Brazilian importers/distributors usually prefer products with six months shelf life or better. In addition to the product itself, important attributes include packaging, status and level of innovation are important attributes. Products that combine these characteristics are more likely to successfully enter the market.

**B. Products not present in significant quantity but which have good sales potential**

Health foods, especially natural and organic products, have a limited presence in the Brazilian market. The Brazilian food industry has not directed consistent efforts to develop these segments, as the consumer base is restricted to a small slice of the Brazilian population. There are limited suppliers in the market for these products and consequently prices are high or prohibitive. Small and medium-sized companies are responsible for 70 percent of local organic supply. In the local market, prices of health foods, organic and natural products compared to conventional products are 40 to 300 percent higher. As the US industry has already achieved gains in scale and prices for these products tend to be somewhat closer to those of conventional equivalents, exporters can find opportunities in the Brazilian market as the price of the imported product could still be lower compared to locally produce ones.

**C. Products not present because of significant trade barriers**

There are no significant barriers towards importation of food products; once import procedures are followed. The most notable restrictions are toward poultry imports (Brazil does not allow the entry of this item) and products containing ingredients derived from biotech commodities (please refer to the "Update on Biotechnology Issues in Brazil", report BR4614, June 30, 2004).

**V. Key Contacts and Further Information**

Please do not hesitate to contact the offices below for questions or comments regarding this report or require assistance to export processed food products into Brazil:

**U.S. Agricultural Trade Office (ATO)****U.S. Consulate General**

Rua Henri Dunant, 700  
04709-110 Sao Paulo - SP  
Tel: (55 11) 5186-7400  
Fax: (55 11) 5186-7499  
E-mail: [atosapaulo@usda.gov](mailto:atosapaulo@usda.gov)  
[atobrazil@usdabrazil.org.br](mailto:atobrazil@usdabrazil.org.br)

**Office of Agricultural Affairs (OAA)****U.S. Embassy**

Av. das Nacoes, quadra 801, lote 3  
70403-900 Brasilia - DF  
Tel: (55 61) 3312-7000  
Fax: (55 61) 3312-7659  
E-mail: [agbrasilia@usda.gov](mailto:agbrasilia@usda.gov)

## APPENDIX I. STATISTICS

TABLE A. Key Trade &amp; Demographic Information

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%)	3,628 / 9.0 % <sup>1</sup>
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%)	1,035 / 7.0 % <sup>1</sup>
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	268 / 0.36 % <sup>1</sup>
Total Population (Mil) / Annual Growth Rate (%) <sup>2</sup>	170 / 1.37 % <sup>3</sup>
Urban Population (Mil) / Annual Growth Rate (%) <sup>2</sup>	138 / 2.7 % <sup>3</sup>
Number of Major Metropolitan Areas <sup>2</sup>	9 <sup>4</sup>
Size of the Middle Class (Mil) / Growth Rate (%) <sup>7</sup>	61.9 / NA
2004 Per Capita Gross Domestic Product (U.S. Dollars) <sup>2</sup>	3,325
Unemployment Rate (%) <sup>2</sup>	9.7 % <sup>5</sup>
Per Capita Food Expenditures (U.S. Dollars) <sup>6</sup>	291
Percent of Female Population Employed <sup>2</sup>	41.4 % <sup>5</sup>
2004 Exchange Rate (US\$1=R\$ local currency) <sup>8</sup>	2.93

<sup>1</sup> Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office - 2004

<sup>2</sup> Source: Brazilian Geography and Statistics Institutes (IBGE)

<sup>3</sup> IBGE Census 2000, total population is estimated in 185 Millions for 2005

<sup>4</sup> Metropolitan areas used for the 2003 Consumer Expenditure Survey - (POF, IBGE) total 33 metropolitan areas.

<sup>5</sup> 2003 National Household Sample Survey (PNAD, IBGE)

<sup>6</sup> Value based on the annual average expenditures according to the 2003 Consumer Expenditure Survey - (POF, IBGE)

<sup>7</sup> Middle class represents 36% of the total population with income between R\$ 1,000 and R\$ 5,000 per month

<sup>8</sup> Source: Brazilian Central Bank

**Table B. Consumer Food & Edible Fishery Products Imports**

<b>Brazil Imports</b> (In Millions of Dollars)	<b>Imports from the World</b>			<b>Imports from the U.S.</b>			<b>U.S Market Share</b>		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
<b>CONSUMER-ORIENTED AGRICULTURAL TOTAL</b>	1,075	828	1,035	71	50	68	7	6	7
Snack Foods (Excl. Nuts)	41	30	43	3	2	2	8	7	6
Breakfast Cereals & Pancake Mix	1	1	1	1	1	1	41	13	16
Red Meats, Fresh/Chilled/Frozen	80	71	84	1	1	1	0	0	0
Red Meats, Prepared/Preserved	2	2	2	1	1	1	44	26	20
Poultry Meat	1	1	1	-	-	-	-	-	-
Dairy Products (Excl. Cheese)	248	107	86	6	1	1	2	1	2
Cheese	22	14	12	1	1	1	1	0	0
Eggs & Products	13	12	16	7	5	11	51	44	71
Fresh Fruit	97	69	92	1	4	5	1	5	5
Fresh Vegetables	67	66	91	1	1	1	0	0	0
Processed Fruit & Vegetables	183	145	203	4	2	3	2	2	2
Fruit & Vegetable Juices	6	2	4	1	1	2	13	17	51
Tree Nuts	22	21	35	1	2	5	5	8	15
Wine & Beer	65	70	95	1	1	1	1	1	0
Nursery Products & Cut Flowers	10	7	8	1	1	1	0	0	0
Pet Foods (Dog & Cat Food)	6	4	4	5	1	1	86	32	5
Other Consumer-Oriented Products	211	207	258	42	31	36	20	15	14
<b>FISH &amp; SEAFOOD PRODUCTS</b>	229	203	268	2	3	1	1	1	0
Salmon	21	23	35	1	1	1	0	1	0
Surimi	4	4	4	-	-	-	-	-	-
Crustaceans	1	1	1	-	-	-	-	-	-
Groundfish & Flatfish	61	54	72	1	1	1	0	0	0
Molluscs	1	1	1	1	1	1	3	1	1
Other Fishery Products	141	120	155	2	2	1	1	2	0
<b>AGRICULTURAL PRODUCTS TOTAL</b>	<b>3,554</b>	<b>3,572</b>	<b>3,628</b>	<b>321</b>	<b>349</b>	<b>317</b>	<b>9</b>	<b>10</b>	<b>9</b>
<b>AGRICULTURAL, FISH &amp; FORESTRY TOTAL</b>	<b>3,832</b>	<b>3,834</b>	<b>3,979</b>	<b>328</b>	<b>358</b>	<b>323</b>	<b>9</b>	<b>9</b>	<b>8</b>

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

**TABLE C. Suppliers of Consumer Food & Edible Fishery Products****Brazil - Top 15 Suppliers****CONSUMER-ORIENTED AGRICULTURAL IMPORTS**

(1000\$)	2002	2003	2004
Argentina	429,657	348,538	464,838
Chile	81,286	68,742	79,189
United States	71,112	49,852	67,552
Uruguay	111,390	66,552	54,676
Italy	38,882	30,739	41,576
Paraguay	25,860	31,469	38,783
France	37,716	36,102	34,241
Netherlands	26,446	19,277	24,182
China (Peoples Republic of)	25,112	15,646	24,052
Portugal	17,338	14,474	20,249
Turkey	11,536	11,854	20,207
Germany	18,885	17,541	19,489
Indonesia	6,079	6,590	17,242
Belgium	12,845	12,805	16,296
Spain	23,205	11,514	14,963
Austria	10,680	7,290	10,331
New Zealand	27,258	11,785	8,867
Switzerland	9,215	8,247	8,119
Denmark	9,695	5,528	7,225
Peru	5,458	4,597	6,046
Rest of World	75,296	49,053	56,454
World	1,074,952	828,221	1,034,581

**FISH & SEAFOOD PRODUCTS IMPORTS**

(1000\$)	2001	2002	2003
Norway	85,132	65,113	98,031
Argentina	49,621	43,307	53,839
Chile	32,965	34,755	50,737
Venezuela	19,111	11,924	18,812
Portugal	8,719	9,895	12,320
Uruguay	11,451	9,553	8,414
Peru	2,956	4,671	4,392
Ecuador	1,248	2,455	3,616
Spain	1,119	864	3,272
Thailand	3,509	4,752	2,805
Morocco	84	2,886	2,542
Taiwan (Estimated)	125	152	1,802
Russian Federation	3,812	5,238	1,269
United States	2,094	2,536	964
Iceland	1,618	274	768
Korea, Republic of	1,128	101	550
Sao Tome and Principe	0	125	429
Togo	25	0	366
Belize	430	248	313
Germany	128	163	266
South Africa	336	110	264
Costa Rica	0	146	259
Rest of World	3,643	3,618	1,684
World	229,258	202,885	267,710

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office